

The International Fuel Tax Agreement (IFTA) and the Department's regulations at 86 Ill. Adm. Code 500.300 prevent the Department from issuing multiple licenses to an IFTA licensee. (This is a GIL).

December 2, 2002

Dear Xxxxx:

This letter is in response to your letter faxed to the Department on June 18, 2002. The nature of your letter and the information you have provided require that we respond with a General Information Letter, which is designed to provide general information, is not a statement of Department policy and is not binding on the Department. See 2 Ill. Adm. Code 1200.120 subsections (b) and (c), which can be found at <http://www.revenue.state.il.us/Laws/regs/part1200/>.

In your letter, you have stated and made inquiry as follows:

AAA recently purchased BBB. AAA is a domestic corporation in Illinois and currently holds an IRP and IFTA account for an over the road tractor fleet. This fleet runs on board computers, an MPG in the 5 or 6 range and is controlled by a separate fleet department other than BBB.

The BBB fleet currently holds IFTA and IRP accounts in just about every state. We have been hired to help the fleet consolidate because name changes and FEIN changes will be impossible with their current accounts. Due to the nature of the sale and many corporate decisions that do not affect the fleet, BBB will have the same name and FEIN as AAA. However, the management controls and operations are very separate. These trucks vary from 30,000 to 47,000 pounds and the fuel tax reporting is done totally separate. The MPG of these trucks is between 8 and 10 miles per gallon and they are operated and controlled very differently from the fleet.

Our dilemma is that we need to consolidate this fleet and other IFTA jurisdictions consider this an Illinois company. In order to accurately report the miles and fuel usage, we need a separate IFTA account. PERSON has already agreed to allow us to open a separate IRP account under a separate FIRM number. This will be the most accurate means in which this fleet can report it's mileage and also fuel taxes. There is no way this fleet can get it's own FEIN number and the operations are vastly different that joining the fleet together with the tractors is not feasible nor is it advantageous for audit purposes. I spoke with PERSON2 and they explained the one license regulation to me. However, since other jurisdictions have issued additional IFTA licenses, I am asking that you make an exception for this fleet. I would very much like to place this fleet in Illinois as it appears to meet the audit requirements as a state of domicile. Unfortunately, I can't add this fleet to the existing account. I am asking for a legal

interpretation as it pertains to the one license and asking for a sub account or an equivalent.

All other states have directed me back to Illinois and apparently the use of a sub number or digit along with the FEIN is common practice. Our intent is to represent fleet fuel tax information to all jurisdictions fairly and to make sure that there are no questions in the event of an audit as to the integrity of the fleet. Frankly, Illinois is the state that we need to rely on to help us with this dilemma. Please feel free to call with any additional information you may need to help with this decision. Thanks in advance for your time.

I am sorry that we are unable to comply with your request. The International Fuel Tax Agreement (IFTA) provides in Article I, Section R150, that "[i]t is the purpose of this Agreement to establish and maintain the concept of one fuel use license and administering base jurisdiction for each licensee and to provide that a licensee's base jurisdiction will be the administrator of this Agreement and execute all its provisions with respect to such licensee. Based upon this principle, the Department promulgated regulations in 86 Ill. Adm. Code Section 500.300 that provide that "[i]n order to establish and maintain the concept of one license and administrative base jurisdiction for each licensee, the Department shall issue only one license to each person." As you can see, these provisions prevent us from issuing multiple licenses to an IFTA licensee.

I hope this information is helpful. The Department of Revenue maintains a Web site, which can be accessed at www.revenue.state.il.us. If you have further questions related to the Illinois sales tax laws, please contact the Department's Taxpayer Information Division at (217) 782-3336.

If you are not under audit and you wish to obtain a binding Private Letter Ruling regarding your factual situation, please submit all of the information set out in items 1 through 8 of Section 1200.110(b).

Very truly yours,

Martha P. Mote
Associate Counsel

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